

The opinion in support of the decision being entered today was *not* written for publication in and is *not* binding precedent of the Board.

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES

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*Ex parte* ANTHONY F. HERBST and WAYNE F. PERG

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Appeal No. 2006-1174  
Application No. 09/467,646  
Technology Center 3700

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Decided: February 28, 2007

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Before ALLEN R. MACDONALD<sup>1</sup>, ROBERT E. NAPPI and ANTON W. FETTING, *Administrative Patent Judges*.

ANTON W. FETTING, *Administrative Patent Judge*.

DECISION ON REQUEST FOR REHEARING

This is a decision on the request for reconsideration, filed under 37 CFR § 41.52, to our decision in this appeal.

On Aug. 17, 2006, we mailed our decision to the appellants' appeal in the instant application. In our decision, we made a new ground of rejection under

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<sup>1</sup> Judge Smith was unable to participate due to his retirement. Judge MacDonald was designated to substitute for Judge Smith. MPEP 1214.03, last paragraph.

37 CFR § 41.50(b) against independent claim 1 under 35 U.S.C. § 103 as obvious over Wallman. The appellant filed a paper on Oct. 10, 2006, styled “REQUEST FOR REHEARING PURSUANT TO Sec. 37 C.F.R. 41.52” during the two month period in which the instant application remained under this board’s jurisdiction. This request for rehearing is directed solely toward that rejection.

We GRANT the request for rehearing, but DENY the request to withdraw the new grounds of rejection.

#### REJECTIONS UNDER CONTENTION

We rejected claim 1 under 35 U.S.C. § 103 as obvious over Wallman.

The appellants contend that Wallman does not disclose more than one set of investments, and therefore does not disclose an acquisition and an accounting for each set of multiple investments, or a customizable investment fund (Rehearing Request 2-3). More particularly, the appellants contend that the decision accords the term “custom” no meaning, and that custom sets of investment funds are those made especially for individual customers of the fund (Rehearing Request 5).

## PERTINENT FACTS

Claim 1 recites

A computer-aided method for operating a customizable investment fund, the method including the steps of:

receiving, at a central computer, *first* digital signals from a first computer specifying a *custom set of investments* for a fund;

receiving, at the central computer, *second* digital signals from a second computer specifying a *custom set of investments* for the fund;

generating, at the central computer, digital signals for *acquisition of investments* consistent with the first digital signals and the second digital signals;

entering transaction data, at the central computer, reflecting the acquisition of said investments; and

*outputting a separate accounting for each said set of investments* within the fund. (emphasis added).

Wallman recites an opportunity for investors to invest in a dynamically-changing fund that is actively managed not by a professional manager but by the constantly and dynamically changing preferences of thousands or millions of investors (col. 3 line 66 – col. 4 line 4).

Custom, as an adjective, means made to order (Webster's II New Riverside University Dictionary, 1994).

Therefore a custom set of investments is a set of investments made to order.

A fund that is managed by the constantly and dynamically changing preferences of thousands or millions of investors is made to order by those investors and therefore a custom set of investments.

Wallman describes multiple such investments in Fig 1, first and second computers and col. 9 lines 6-22, in which the investment fund manager executes the trades reflected by the preferences (hence a custom set of investment trades) of the investors from the multiple computers in Fig. 1.

Further, Wallman teaches an accounting of the investments (col. 8, lines 18-21). Similarly, the SEC and the IRS each requires, by federal regulation, that investment funds provide an accounting for every investment transaction.

Every acquisition transaction within a fund of securities represents acquisition of a set of investments within the fund.

Therefore regulatory compliance would require entering transaction data reflecting the acquisition of sets of investments; and a separate accounting for each set of investments within the fund.

#### ANALYSIS

The above facts demonstrate that Wallman does disclose more than one set of investments, and therefore does disclose an acquisition and an accounting for each set of multiple investment.

The above facts demonstrate that Wallman does disclose a customizable investment fund. Rather than according the term “custom” no meaning, the above facts demonstrate that Wallman’s funds are custom funds according to the usual and customary definition accorded by the dictionary of the word “custom”. The appellants have not pointed to any lexicographic definition of “custom” apart from its customary meaning.

Whether Wallman discloses custom sets of investment funds made especially for individual customers of the fund is moot because the claims have no such limitation. Although such a custom set for individual customers is disclosed as a preferred embodiment (Specification 7), limitations from the specification are not imported into the claims, absent a clear disavowal of claim scope.

#### REMARKS

If prosecution continues, and the claims are amended to incorporate a limitation that the fund contain custom sets of investment funds made especially for individual customers, the examiner should consider whether such a construct differs sufficiently from the conventional industry conception of an investment fund that patentability over the conventional set of investment portfolio's held for investors by brokerages in the brokerage's street name becomes a significant novelty and obviousness issue.

#### CONCLUSION

Appellant's request is *granted* to the extent that the decision has been reconsidered.

As the appellant has not shown that Wallman fails to disclose more than one set of investments, an acquisition and an accounting for each set of multiple investments, and a customizable investment fund, we *deny* the request to withdraw the rejection of claim 1 under 35 U.S.C. § 103 as obvious over Wallman.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 CFR § 1.136(a).

DENIED



(ALLEN R. MACDONALD )  
Administrative Patent Judge )



(ROBERT E. NAPPI )  
Administrative Patent Judge )



(ANTON W. FETTING )  
Administrative Patent Judge )

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